

UNITED STATES BANKRUPTCY COURT
DISTRICT COURT OF MARYLAND

FILED
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U.S. BANKRUPTCY COURT
DISTRICT OF MARYLAND
BALTIMORE

In re:

THE LAW OFFICES OF
PERRY A. RESNICK, LLC,

Case No. 20-12820

Debtor.

Chapter 11

**EXPEDITED MOTION FOR ORDER AUTHORIZING DEBTOR
TO PAY PREPETITION WAGES**

**** Expedited Hearing Requested Pursuant to Local Rules 9013-1(F) and (I) ****

Basis for Expedited Relief

The Debtor's ability to preserve its business will be adversely affected if it is unable to retain its employees. The Debtor must fund its employees' payroll by 5:00 P.M. on Wednesday August 14, 2019. Therefore, the Debtor requests that this motion, which requests authority to pay prepetition wages owing to the employees, be set for hearing on or before March 11, 2020.

The Debtor is filing a motion for cash collateral use contemporaneously herewith, which contemplates the wage payments referenced below.

The Law Offices of Perry A. Resnick, LLC (the "Debtor"), pursuant to 11 U.S.C. §§ 105, 507, 1107, and 1108, requests Court authorization to pay prepetition wages to employees, and respectfully states as follows:

BACKGROUND

1. The Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on March 4, 2020. Pursuant to Bankruptcy Code §§ 1107(a) and 1108, the Debtor is operating its business and managing its affairs as a debtor in possession.
2. The Debtor is a law office specializing in tort actions.

3. As of the petition date, the Debtor owes wages to one employee (together, the "Employees"). Pursuant to Local Rule 9013-1(1), a chart setting forth:

(a) the name of each Employee, (b) the amount of wages due such Employee, (c) the amounts to be withheld from such wages, including for payroll taxes and related benefits, and (d) the period of time for which prepetition wages are due is as follows:

Employee Name	Wages Due	Amounts Withheld	Pay Period
Perry A. Resnick	\$1,000.00	\$00.00	Weekly Pay Ending March 6, 2020

4. All of the Employees are currently employed by the Debtor. With the exception of Perry A. Resnick, no Employees are insiders within the meaning of Bankruptcy Code § 101(31). Perry A. Resnick is 100% owner and manager of the Debtor.

RELIEF REQUESTED AND LEGAL BASIS

5. By this Motion, the Debtor seeks authority under §§ 105(a), 507(a)(4), 1107(a), and 1108 of the Bankruptcy Code to pay the amounts listed on Exhibit A, including, concurrently, all applicable payroll taxes and related benefits due to the Employees.

6. Section 105(a) of the Bankruptcy Code provide that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this

title." 11 U.S.C. §105(a). Under § 105(a) and the 'necessity of payment' doctrine, the Court has the equitable power to authorize a chapter 11 corporate debtor in possession to pay prepetition employee wages, salaries, benefits, and employee business expense reimbursements that are essential to its continued operation. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175-77 (Bankr. S.D.N.Y. 1989); *see also In re Equalnet Communications Corp.*, 258 B.R. 368, 370-71 (Bankr. S.D. Tex. 2000) (permitting the debtor's payment of contract employee's prepetition compensation claim). In particular, the Court may authorize payments of prepetition claims to employees and other critical vendors when (1) the payments are necessary for reorganization; (2) there is a sound business justification for the payments because the payees will refuse to do business with the debtor absent payment; and (3) disfavored creditors will be at least as well off as a result of the payments. *See In re Tropical Sportswear Intl Corp.*, 320 B.R. 15, 20 (Bantu. M.D. Fla. 2005).

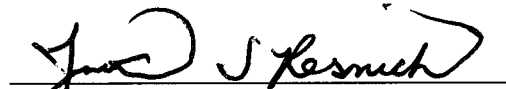
7. Each of the *Topical Sportswear* elements are present here. The Employees are essential to operating the Debtor's business. The Employees will refuse to continue working unless their wages are paid. Finally, creditors disfavored by wage payments will be at least as well off, because such payments will maintain the Debtor's value as a going concern.

8. Courts have regularly granted motions to pay prepetition employee wages and honor employee benefits when the employees' continued efforts are necessary to the debtor's effective reorganization. *See, e.g., In re Atlas Air Worldwide Holdings, Inc.*, Chapter 11 Case No. 04-10792-BKC-RAM (Bankr. S.D. Fla. February 6, 2004) (Mark, J.) (order Granting Debtors' Emergency Motion for Order Authorizing Debtors to Pay Prepetition Salaries); *In re US Airways Group, Inc.*, Chapter 11 Case No. 02-83984 (Bantu. E.D. Va. August 12, 2002) (Mayer, J.) (order Authorizing the Debtor to Pay Prepetition Salaries, Wages, and Benefits); *In re Fine Air Servs. Corp.*, Chapter 11 Case No. 00-18671-BKC-AJC (Bankr. S.D. Fla. Sept. 29, 2000

(Cristol, J.) (order Authorizing the Debtors to Honor Obligations to Their Employees). That dynamic is present here, and the Court should authorize payments to the Employees.

WHEREFORE, the Debtor respectfully requests that this Court enter an order: (1) granting this Motion; (2) authorizing the Debtor to pay prepetition wages to the Employees listed herein, and (3) granting all further relief that the Court deems just and proper.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jonathan S. Resnick", written over a horizontal line.

Jonathan S. Resnick
Attorney for Debtor
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Baltimore, Maryland 21208
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Facsimile: 443-898-8520

ATTORNEY CERTIFICATION

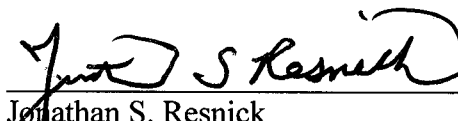
I HEREBY CERTIFY that I am admitted to the Bar for the State of Maryland, and I am in compliance with the additional qualifications to practice in this Court as set forth in Local Rule 2090-1(A).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of **March, 2020**, a copy of the Expedited Motion for Order Authorizing Debtor to Pay Prepetition Wages and a copy of this certificate were mailed first class, postage prepaid to:

Krunchcash, LLC
200 E. Palmetto Park Road, Apt 700
Boca Raton, FL 33432

Baltimore Fabricators, LLC
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